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Application No. 09/901,954

Filing Date July 10, 2001

First Named Inventor James Templeton

Group Art Unit 3628

Examiner Name Nga B. Nguyen

Attorney Docket No. PAY00-003

ENCLOSURES (check all that apply)

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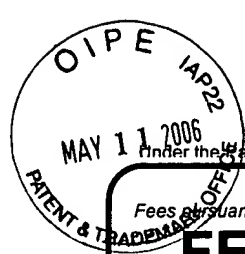
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Effective on 12/08/2004.

Fees pursuant to the Consolidated Appropriations Act, 2005 (H.R. 4818).

FEE TRANSMITTAL

For FY 2005

☐ Applicant claims small entity status. See 37 CFR 1.27

TOTAL AMOUNT OF PAYMENT (\$) 500.00

Complete if Known

Application Number	09/901,954
Filing Date	July 10, 2001
First Named Inventor	James E. Templeton
Examiner Name	Nga B. Nguyen
Art Unit	3628
Attorney Docket No.	PAY00-003

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FEE CALCULATION**1. BASIC FILING, SEARCH, AND EXAMINATION FEES**

Application Type	FILING FEES		SEARCH FEES		EXAMINATION FEES		Fees Paid (\$)
	Fee (\$)	Small Entity Fee (\$)	Fee (\$)	Small Entity Fee (\$)	Fee (\$)	Small Entity Fee (\$)	
Utility	300	150	500	250	200	100	
Design	200	100	100	50	130	65	
Plant	200	100	300	150	160	80	
Reissue	300	150	500	250	600	300	
Provisional	200	100	0	0	0	0	

2. EXCESS CLAIM FEES

Fee Description	Fee (\$)	Small Entity Fee (\$)
Each claim over 20 (including Reissues)	50	25
Each independent claim over 3 (including Reissues)	200	100
Multiple dependent claims	360	180

Total Claims	Extra Claims	Fee (\$)	Fee Paid (\$)	Multiple Dependent Claims	
43	- 20 or HP = 0	x	= 0	Fee (\$)	Fee Paid (\$)

HP = highest number of total claims paid for, if greater than 20.

Indep. Claims	Extra Claims	Fee (\$)	Fee Paid (\$)
7	- 3 or HP = 0	x	= 0

HP = highest number of independent claims paid for, if greater than 3.

3. APPLICATION SIZE FEE

If the specification and drawings exceed 100 sheets of paper (excluding electronically filed sequence or computer listings under 37 CFR 1.52(e)), the application size fee due is \$250 (\$125 for small entity) for each additional 50 sheets or fraction thereof. See 35 U.S.C. 41(a)(1)(G) and 37 CFR 1.16(s).

Total Sheets	Extra Sheets	Number of each additional 50 or fraction thereof	Fee (\$)	Fee Paid (\$)
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4. OTHER FEE(S)

Non-English Specification, \$130 fee (no small entity discount)

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Fees Paid (\$)

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Signature	<u>Daniel E. Vaughan</u>	Registration No. (Attorney/Agent)	42,199	Telephone	510-790-9960
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This collection of information is required by 37 CFR 1.136. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.14. This collection is estimated to take 30 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application No. : 09/901,954 Confirmation Number: 7267
Filed : July 10, 2001
First Named Inventor : James Templeton
Docket : PAY00-003
Title : System and Method for Verifying a Financial
Instrument

Group/Art Unit : 3628
Examiner : Nga B. Nguyen

APPEAL BRIEF
IN SUPPORT OF APPELLANT'S APPEAL
TO THE BOARD OF PATENT APPEALS AND INTERFERENCES

Commissioner for Patents
P.O. Box 1450
Alexandria VA 22313-1450

Sir:

This brief is submitted in support of Applicant's Appeal from a Final
Decision of the Examiner mailed 19 December 2005. Applicant respectfully
requests consideration of this Appeal by the Board of Patent Appeals and
Interferences.

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I. REAL PARTY IN INTEREST

The real party in interest is PayPal, Inc., a corporation of the state of Delaware, having a place of business at 303 Bryant Street, Mountain View, CA 94041. PayPal, Inc. is a wholly owned subsidiary of eBay, Inc., a corporation of the state of Delaware, which has a place of business at 2145 Hamilton Avenue, San Jose, CA 95125.

II. RELATED APPEALS AND INTERFERENCES

Appellant is not aware of any related appeals or interferences.

III. STATUS OF CLAIMS

Claims 1-43 are currently pending and have been finally rejected. Applicant appeals claims 1-43.

IV. STATUS OF AMENDMENTS

There are no currently pending amendments.

V. SUMMARY OF CLAIMED SUBJECT MATTER

The present invention relates to methods and apparatus for verifying financial instruments or accounts such as credit cards, debit cards, bank accounts and so on. By verifying a financial instrument or account, further assurance can be provided that a person attempting to use the instrument or account is authorized to do so, and the person can therefore be authorized to use the instrument for subsequent transactions.

According to independent claim 30, a system or apparatus for verifying a user's authorization to use a financial account external to the system includes a transaction processor configured to initiate transactions involving the account, a memory for storing details of the transactions, a user interface for receiving test

(e.g., alleged) details of the transactions from the user, and a processor for comparing the stored and test details (see FIG. 1).

According to independent method claims 1, 13, 25 and 27 (and computer readable medium claim 29), a system such as that depicted in FIG. 1 performs a method of verifying a person's authority to use a financial instrument or account (such as a credit card or bank account) by performing any or all of the operations described in the following paragraph.

Information identifying the instrument is received, values are selected for one or more transactions, the transactions are initiated by the system on the instrument, one or more attributes (or details) of the transactions are stored, the person is prompted to confirm the transaction attributes, a set of attributes is received from the person, the two collections of attributes are compared and, if they match, the system accepts use of the instrument by the person for a subsequent transaction (claims 1, 13, 25, 27, 29; FIG. 2).

Independent claim 39 includes elements that may be interpreted under 35 U.S.C. § 112 ¶ 6. The apparatus of claim 39 includes means for receiving information identifying a financial instrument, transaction means for initiating transactions involving the instrument, storage means for storing selected details of the transactions, interface means for receiving a confirmation set of details, and comparison means for comparing the confirmation details with the stored details.

The means for receiving and the interface means may correspond to user interface 102 of FIG. 1, which can operate on a computing device such as a web server, application server or data server (page 5, lines 20-21), and/or a human agent or interactive voice recorder (page 5, lines 22-24). The system of FIG. 1 is described at page 5, line 17 to page 8, line 8. The transaction means may correspond to transaction processor 106 or may be incorporated into some other system component (page 6, line 26 to page 7, line 2), and the storage means may correspond to database 104. As recited in claim 30, for example, the comparison means may correspond to a processor.

Thus, when a verification system initiates authorization of a user's financial instrument in a claimed embodiment of the invention, a series of transactions is performed on the instrument by the system, such as some number of debits and/or credits. Some detail or details of the transactions may be set by the initiator and are recorded (e.g., amount, type of transaction, merchant identity), and the user is invited to confirm those details to verify that he or she owns or has control over the instrument. The user retrieves information regarding the transactions (e.g., from the organization that issues or maintains the financial instrument) and offers it for comparison with the recorded details. If the user's proffered details match the recorded details, he or she is permitted to use the instrument for subsequent transactions. Page 4, line 17 to page 5, line 3; FIG. 2; page 10, line 1 to page 13, line 17.

Authorization of a financial instrument (or account) may be initiated when a user attempts to make a purchase, or may be done prospectively, such as when a user identifies an instrument to be used for future transactions. Page 5, lines 4-16.

Because only someone with legitimate access to and/or control of the instrument is likely to have access to details of the transactions that were performed in order to verify the instrument, and that person may be required to satisfy separate authentication or security procedures in order to obtain those details, successful completion of the authentication procedure may decrease the risk that the instrument was stolen or that someone is attempting to use the instrument illegally.

VI. GROUNDS OF REJECTIONS TO BE REVIEWED

Claims 1-43 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,903,878, issued to Talati, et al. (hereinafter "Talati"). The final office action was mailed December 19, 2005. The Examiner's grounds of rejections that Applicant appeals from are as follows.

A. That Talati Discloses Storing Details of a Set of Initiated Transactions and Receiving Details Proffered by a User for Comparison with the Stored Details

The final rejections assert that a transaction administrator (TA) in Talati stores one or more details or attributes of transactions, by storing an originator's information (e.g., mother's maiden name, social security number, driver's license number), and receives proffered details in the form of answers to a series of questions.

B. That Talati Discloses Comparing the User's Proffered Details with the Stored Details and Accepting Use of the Financial Instrument Only if the Details Match

The final rejections assert that a credit authority (CA) in Talati compares proffered details with stored details by responding with authorization for a transaction if a client confirms transaction validity, and that the CA approves later use of a verified financial instrument by approving a client transaction if a client confirms the transaction's validity.

C. That Talati Discloses Selecting Values for a Series of Transactions Involving a User's Financial Account

The final rejections and subsequent advisory action did not address this subject matter.

D. That a Single Entity in Talati Can Perform Applicant's Method or Act as Applicant's System

The final rejections and subsequent advisory action did not address this point.

VII. ARGUMENT

Applicant contends that the Examiner's grounds are insufficient bases for rejecting the claims of the application, for the reasons stated in this section. First, however, a brief summary of the Talati reference is provided.

Talati is directed to a Method and Apparatus for Electronic Commerce (title), and provides a system that includes an originator, a recipient and a transaction administrator (TA), each of which is described as a separate party or entity (column 2, lines 51-67). Briefly, the originator (e.g., a client or purchaser) originates an electronic commerce transaction or payment for a transaction (column 2, lines 55-60). The recipient (e.g., a merchant or vendor) receives the transaction or payment (column 2, lines 60-65). The TA (e.g., a credit card authority or financial network) authenticates the originator and recipient, and validates transaction contents (column 2, line 65 – column 3, line 3).

An originator initiates a purchase or payment by sending a transaction to the recipient. The transaction includes some details of the purchase, along with a unique transaction identifier (UTID) generated by the originator. After receiving the transaction, the recipient sends to the TA a payment authorization request that includes the UTID. Upon receipt of the payment authorization request, the TA validates the originator and the recipient. Validation of the originator requires the TA to send to the originator a validation request that includes the UTID. The originator extracts the UTID and compares it to a list of generated transaction identifiers to determine if the transaction was initiated by the originator, and then affirms or denies transaction validity to the TA. (column 3, lines 4-48)

Applicant asserts that Talati fails to teach or suggest several aspects of Applicant's invention.

A. That Talati Discloses Storing Details of a Set of Initiated Transactions and Receiving Details Proffered by a User for Comparison with the Stored Details

1. Claims 1-12, 29, 42-43

Claim 1 is an independent claim to a method of verifying a customer's authority to use a financial instrument. Claims 2-12 and 42-43 depend from claim 1, and claim 29 is an independent computer readable medium claim reflecting the method of claim 1.

In claims 1 and 29 of the present application, a transaction processor (not a customer) initiates one or more transactions using a financial instrument identified by a customer, stores one or more attributes of the transactions, and receives attributes proffered by the customer to compare with the stored attributes.

The Examiner cited column 5, lines 33-40 and column 6, lines 25-32 of Talati for the proposition that Talati teaches or suggests storing transaction-related attributes and the proposition that Talati teaches or suggests receiving a set of proffered attributes. However, those sections merely describe the validation of an originator, recipient and/or TA through the use of digital signatures, and the possible further validation of an originator through a series of originator-specific questions.

The Examiner thus equated Applicant's transaction-specific attributes to Talati's use of non-transaction-related details such as a mother's maiden name, a social security number and a driver's license number (Talati, column 5, lines 33-40 and column 6, lines 25-32). The types of details recited in Talati are used only for the purpose of validating an originator's identity, and therefore necessarily relate to the originator, not a transaction.

The Examiner further stated (page 4 of the final office action) that it is well known to store one or more attributes of one or more transactions. However, even if this were true in a general sense, the situations and systems in which

attributes may be stored further highlight the differences between Applicant's invention and the prior art. For example, credit card companies may maintain histories of transactions, but the transactions are initiated by the credit card holders, not by a system or apparatus for verifying a user's authorization to use a credit card or other instrument. Yet further, later elements of Applicant's claims specify that successful verification leads to authorization for the user to perform later transactions. Credit card companies have already authorized their card holders to perform transactions even before they begin to maintain transaction histories. Thus, existing systems such as credit card systems do not comport with Applicant's claims 1 and 29 (and other claims).

Claims 4-7 of the present application recite specific examples of transaction-related attributes (i.e., amount, merchant identity, number of transactions, type of transaction). The types of details recited in Talati teach away from these types of attributes by specifying that originator-specific information should be used instead.

2. Claims 13-24

Claim 13 is an independent claim to a method of verifying a user's authorization to use a financial account. Claims 14-24 depend from claim 13. In claim 13, a first set of details of transactions involving the account is stored, and a test set of details is received for comparison with the stored details.

These aspects of claim 13 were rejected on the same bases as claims 1 and 29, as discussed above in section VII.A.1. In particular, the Examiner cited column 5, lines 33-40 and column 6, lines 25-32 of Talati for the proposition that Talati teaches or suggests storing transaction-related details and the proposition that Talati teaches or suggests receiving a set of details. However, those sections merely describe the validation of an originator, recipient and/or TA through the use of digital signatures, and the possible further validation of an originator through a series of originator-specific questions.

Applicant asserts that information about an originator as described in Talati is fundamentally different from details of transactions that may involve a user or originator, and cannot be used for the same purpose. Therefore, Talati fails to teach or suggest the storage of transaction details and the receipt of proffered details for comparison with the stored details, as recited in claim 13.

The Examiner further stated (page 4 of the final office action) that it is well known to store one or more attributes of one or more transactions. However, even if this were true in a general sense, the situations and systems in which attributes may be stored further highlight the differences between Applicant's invention and the prior art. For example, credit card companies may maintain histories of transactions, but the transactions are initiated by the credit card holders, not by a system or apparatus for verifying a user's authorization to use a credit card or other instrument. Yet further, later elements of Applicant's claims specify that successful verification leads to authorization for the user to perform later transactions. Credit card companies have already authorized their card holders to perform transactions even before they begin to maintain transaction histories. Thus, existing systems such as credit card systems do not comport with Applicant's claim 13.

Claims 20-24 recite specific examples of details of a transaction that may be stored, such as merchant identity, values of the transactions, types of transactions and so on. These types of details are wholly different from the types of originator-specific information employed in Talati.

3. Claims 25-26

Claim 25 is an independent claim directed to a method of verifying a credit card. Claim 26 depends from claim 25. In claim 25, a first set of details of transactions involving the credit card is stored, and a test set of details is received for comparison with the stored details.

These aspects of claim 25 were rejected on the same bases as claims 1 and 29, as discussed above in section VII.A.1. In particular, the Examiner cited column 5, lines 33-40 and column 6, lines 25-32 of Talati for the proposition that Talati teaches or suggests storing transaction-related details and the proposition that Talati teaches or suggests receiving a set of details from a user. However, those sections merely describe the validation of an originator, recipient and/or TA through the use of digital signatures, and the possible further validation of an originator through a series of originator-specific questions.

Applicant asserts that information about an originator as described in Talati is fundamentally different from details of credit card transactions that may involve a user or originator, and cannot be used for the same purpose. Therefore, Talati fails to teach or suggest the storage of transaction details and the receipt of proffered details for comparison with the stored details, as recited in claim 25.

Further, the Examiner failed to address an additional feature recited in claim 25, wherein the set of details received from a user is received after the transactions are completed. In the Talati system, this is impossible because the originator (or other party) must be authenticated or validated before a transaction can be completed, and thus any transaction/originator details must be received during the transaction. This feature of claim 25 shows even more clearly how Talati teaches away from Applicant's invention.

The Examiner further stated (page 4 of the final office action) that it is well known to store one or more attributes of one or more transactions. However, even if this were true in a general sense, the situations and systems in which attributes may be stored further highlight the differences between Applicant's invention and the prior art. For example, credit card companies may maintain histories of transactions, but the transactions are initiated by the credit card holders, not by a system or apparatus for verifying a user's authorization to use a credit card or other instrument. Yet further, later elements of Applicant's claims specify that successful verification leads to authorization for the user to perform

later transactions. Credit card companies have already authorized their card holders to perform transactions even before they begin to maintain transaction histories. Thus, existing systems such as credit card systems do not comport with Applicant's claim 25.

Claim 26 specifies that the details received from a user for comparison with the stored details include an identifier of a merchant involved in a transaction. This type of information is far removed from the originator-specific information employed in Talati.

4. Claims 27-28

Claim 27 is an independent claim directed to a method of verifying a bank account. Claim 28 depends from claim 27. In claim 27, a first set of details of transactions involving the bank account is stored, and a test set of details is received for comparison with the stored details.

These aspects of claim 27 were rejected on the same bases as claims 1 and 29, as discussed above in section VII.A.1. In particular, the Examiner cited column 5, lines 33-40 and column 6, lines 25-32 of Talati for the proposition that Talati teaches or suggests storing transaction-related details and the proposition that Talati teaches or suggests receiving a set of details from a user. However, those sections merely describe the validation of an originator, recipient and/or TA through the use of digital signatures, and the possible further validation of an originator through a series of originator-specific questions.

Applicant asserts that information about an originator as described in Talati is fundamentally different from details of bank account transactions that may involve a user or originator, and cannot be used for the same purpose. Therefore, Talati fails to teach or suggest the storage of transaction details and the receipt of proffered details for comparison with the stored details, as recited in claim 27.

Further, the Examiner failed to address an additional feature recited in claim 27, wherein the set of details received from a user is received after the transactions are completed. In the Talati system, this is impossible because the originator (or other party) must be authenticated or validated before a transaction can be completed, and thus any transaction/originator details must be received during the transaction. This feature of claim 27 shows even more clearly how Talati teaches away from Applicant's invention.

The Examiner further stated (page 4 of the final office action) that it is well known to store one or more attributes of one or more transactions. However, even if this were true in a general sense, the situations and systems in which attributes may be stored further highlight the differences between Applicant's invention and the prior art. For example, credit card companies may maintain histories of transactions, but the transactions are initiated by the credit card holders, not by a system or apparatus for verifying a user's authorization to use a credit card or other instrument. Yet further, later elements of Applicant's claims specify that a user submits test or confirmation details for comparison with the stored detail, and that successful verification leads to authorization for the user to perform later transactions. Credit card companies and banks have already authorized their card holders to perform transactions even before they begin to maintain transaction histories. Thus, existing systems such as credit card systems do not receive test or confirmation details from card holders for comparison with stored details, and do not comport with Applicant's claim 27 when viewed as a whole.

Claim 28 specifies that the details received from a user for comparison with the stored details include an amount of a transaction. This type of information is far removed from the originator-specific information employed in Talati.

5. Claims 30-38

Claim 30 is an independent claim directed to a system for verifying a user's authorization to use a financial account that is external to the claimed system. Claims 31-38 depend from claim 30. The system recited in claim 30 includes a memory for storing a first set of details of transactions involving the account, and a user interface for receiving a test set of details for comparison with the stored details.

The Examiner stated that Talati teaches Applicant's memory by mentioning an originator's personal computer that always includes a memory (column 4, line 60) and by specifying that the originator generates a list of transaction information (column 5, lines 15-19). The Examiner stated that Talati teaches Applicant's user interface by mentioning the originator's personal computer (column 4, lines 58-65).

The rejection of claim 30 overlooked the explicit recitation that the user interface is "configured to receive a test set of details independent of any transaction...." Even if the UTID can be considered a detail of a transaction, Talati's originator receives a UTID as part of a transaction. In fact, the transaction *cannot be completed* until the originator receives and validates the UTID. On a more basic note, the mere mention of a personal computer or a processor cannot be sufficient to make obvious Applicant's user interface when it is recited as having specific functionality.

The Examiner further stated (page 7 of the final office action) that "a test set of details independent of any transaction involving an external financial account identified by a user" is well known. Applicant asserts that this statement is incorrect for at least two reasons.

First, systems such as those suggested by the Examiner (e.g., credit card issuer, bank) do not receive details of transactions involving external financial accounts. If such systems receive details of any transactions, they receive details

of transactions of internal financial accounts – the credit cards or accounts they manage.

Second, the transactions for which details are stored and for which test or confirmation details are received for comparison in claim 30 are transactions initiated by the verification system, not by a user or customer. In contrast, a credit card company receives or maintains details of transaction that cardholders initiate. And, as further distinction between Applicant's system and the system of Talati and other existing systems (e.g., credit card issuers, banks), existing systems do not receive test or confirmation sets of details for comparison with stored details in order to authorize *later* use of a user's external financial account.

6. Claims 39-41

Claim 39 is an independent claim directed to an apparatus for verifying a customer's authority to use a financial instrument. Claims 40-41 depend from claim 39.

Claim 39 was rejected with the same reasoning as claim 30, addressed above in section VII.A.5. However, as with the rejection of claim 30, the rejection of claim 39 overlooked the explicit recitation that the user interface is configured to receive the confirmation set of details "independent of any transaction...." Even if the UTID can be considered a detail of a transaction, Talati's originator receives a UTID as part of a transaction. In fact, the transaction *cannot be completed* until the originator receives and validates the UTID. On a more basic note, the mere mention of a personal computer or a processor cannot be sufficient to make Applicant's user interface obvious.

The Examiner further stated (page 7 of the final office action) that "a test set of details independent of any transaction involving an external financial account identified by a user" is well known. Applicant asserts that this statement is incorrect for at least two reasons.

First, systems such as those suggested by the Examiner (e.g., credit card issuer, bank) do not receive details of transactions involving external financial accounts. If such systems receive details of any transactions, they receive details of transactions of internal financial accounts – the credit cards or accounts they manage.

Second, the transactions for which details are stored and for which test or confirmation details are received for comparison in claim 39 are transactions initiated by the verification system, not by a user or customer. In contrast, a credit card company receives or maintains details of transaction that cardholders initiate. And, as further distinction between Applicant's system and the system of Talati and other existing systems (e.g., credit card issuers, banks), existing systems do not receive test or confirmation sets of details for comparison with stored details in order to authorize *later* use of a user's external financial account.

B. That Talati Discloses Comparing the User's Proffered Details with the Stored Details and Accepting Use of the Financial Instrument Only if the Details Match

1. Claims 1-12, 29, 42-43

Claims 1 and 29 specify that attributes of one or more transactions involving a user's financial instrument are proffered by the user and compared to stored attributes of one or more transactions. If they match, the financial instrument is accepted for a *subsequent* transaction.

The Examiner cites column 6, lines 33-36 as proof that Talati discloses both limitations, but the cited section merely describes how a credit authority (CA) authorizes the current transaction if it is approved and if the originator confirms the transaction's validity. Thus, Talati teaches one to validate and approve a *current* transaction, not to validate authority to use a financial instrument and approve that instrument for use in a *subsequent* transaction.

Also, as described above in Section VII.A, Talati does not collect transaction details that are comparable to attributes collected in Applicant's claimed methods and apparatus, and therefore cannot compare stored and proffered details as required in order to validate one's authority to use a financial instrument.

2. Claims 13-24

Claim 13 specifies that details of a series of transactions involving a financial account are received (from a user) and compared to stored details of the transactions, and that if they correspond, the user is authorized to conduct one or more *subsequent* transactions with the same account.

These aspects of claim 13 were rejected on the same bases as claims 1 and 29, as discussed above in section VII.B.1. In particular, the Examiner cites column 6, lines 33-36 as proof that Talati discloses both limitations, but the cited section merely describes how a credit authority (CA) authorizes a current transaction if it is approved and if the originator confirms the transaction's validity. Thus, Talati teaches one to validate and approve a *current* transaction, not to validate authority to use a financial account and approve that account for use in a *subsequent* transaction.

Also, as described above in Section VII.A, Talati does not collect transaction details that are comparable to details collected in Applicant's claimed methods and apparatus, and therefore cannot compare stored and proffered details as required in order to validate one's authority to use a financial account.

3. Claims 25-26

Claim 25 specifies that if details of one or more credit card transactions received from a user match stored details of the transactions, the user is authorized to use the card as a source of funds for a *subsequent* transaction.

These aspects of claim 25 were rejected on the same bases as claims 1 and 29, as discussed above in section VII.B.1. In particular, the Examiner cites column 6, lines 33-36 as proof that Talati discloses both limitations, but the cited section merely describes how a credit authority (CA) authorizes the current transaction if it is approved and if the originator confirms the transaction's validity. Thus, Talati teaches one to validate and approve a *current* transaction, not to validate authority to use a credit card and approve that credit card for use in a *subsequent* transaction.

Also, as described above in Section VII.A, Talati does not collect transaction details that are comparable to details collected in Applicant's claimed methods and apparatus, and therefore cannot compare stored and proffered details as required in order to validate one's authority to use a credit card.

4. Claims 27-28

Claim 27 specifies that if details of one or more bank account transactions received from a user match stored details of the transactions, the user is authorized to use the account as a source of funds for a *subsequent* transaction.

These aspects of claim 27 were rejected on the same bases as claims 1 and 29, as discussed above in section VII.B.1. In particular, the Examiner cites column 6, lines 33-36 as proof that Talati discloses both limitations, but the cited section merely describes how a credit authority (CA) authorizes the current transaction if it is approved and if the originator confirms the transaction's validity. Thus, Talati teaches one to validate and approve a *current* transaction, not to validate authority to use a bank account and approve that account for use in a *subsequent* transaction.

Also, as described above in Section VII.A, Talati does not collect transaction details that are comparable to details collected in Applicant's claimed methods and apparatus, and therefore cannot compare stored and proffered details as required in order to validate one's authority to use a bank account.

5. Claims 30-38

Claim 30 recites a processor configured to compare details offered by a user to stored details of one or more transactions involving an external financial account, *after* the transactions have been completed.

In rejecting claim 30, the Examiner stated that Talati discloses Applicant's processor at column 5, lines 15-20 as processor 70 (FIG. 5). Even if Talati does happen to mention a processor, the processor in Talati is not configured in a similar manner. The Examiner recognized (page 7 of the final office action) that Talati does not disclose "the test set of details after said transactions have been completed," but specified that such a feature is well known.

However, as described above in Section VII.A, systems such as those suggested by the Examiner (i.e., credit card issuer, bank) do not compare stored details of transactions with details received from a user. In particular, there is no need for such a system to do so, as it will have already authenticated or validated its users before allowing them to conduct transactions.

Therefore, at best, Talati and other existing systems teach one to confirm a transaction identifier of a *current* transaction in order to authorize that transaction, not to confirm details of a *past* transaction in order to authorize use of a financial instrument for *subsequent* transaction.

6. Claims 39-41

Claim 39 recites comparison means for comparing confirmation details offered by a customer to stored details of one or more transactions involving a financial instrument, wherein the customer is deemed to possess authority to use the instrument if the details match.

Claim 39 was rejected with the same reasoning as claim 30, addressed above in section VII.B.5. However, no cited portion of Talati appears to suggest comparing stored details of transactions with confirmation details that are

received independent of any of the transactions, in order to validate the customer's authority to use the instrument.

C. That Talati Discloses Selecting Values for a Series of Transactions Involving a User's Financial Account

Claim 13 recites "selecting values for a series of transactions involving the financial account" of a user. Claim 13 was rejected with reference to the same rationale as claim 1, but without addressing this limitation, which is not included in claim 1.

Talati validates individual electronic commerce transactions in which a transaction is generated by a purchaser (Talati abstract; column 2, lines 55-60). Thus, terms of a transaction are specified by the purchaser/originator in Talati, not by the entity that validates the transaction (e.g., transaction administrator or TA) or the entity that accepts a payment (e.g., recipient). This teaches away from Applicant's invention, wherein a verification system (e.g., transaction processor) constructs and initiates transactions (e.g., FIG. 1; page 6, line 17 to page 7, line 2; page 7, lines 14-21; page 11, lines 10-16).

D. That a Single Entity in Talati Can Perform Applicant's Method or Act as Applicant's System

The independent claims of the present application recite methods or systems that are performed or comprise a single entity. In particular, the "system for verifying a user's authorization to use an external financial account" of claim 30 and the "apparatus for verifying a customer's authority to use a financial instrument" of claim 39 correspond to system 100 of FIG. 1, which performs steps of the methods recited in claims 1, 13, 25, 27 and 29.

In contrast, Talati requires interaction between at least three separate and independent entities – the TA, an originator and a recipient. No one entity acting alone could (or would be desired to) perform all steps of a method described in

the present application, or comprise all elements of a system or apparatus described in the present application.

In particular, the entities that operate in Talati must operate independently because Talati is directed to the validation of a single electronic commerce transaction involving at least two parties (i.e., the originator and the recipient). The TA acts as a trusted entity, operating independently of both parties in order to ensure fairness.

Thus, Talati fails to disclose a method that teaches or suggests all elements of Applicant's claimed methods, and also fails to disclose a system that includes the elements of Applicant's recited apparatus.

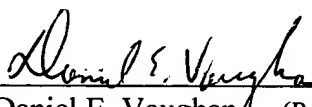
CONCLUSION

For the foregoing reasons, Appellant respectfully requests reversal of the Examiner's rejections as set forth in the Final Office Action and subsequent Advisory Action, and request that the Board direct allowance of all pending claims of the application.

Respectfully submitted,

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VIII. CLAIMS APPENDIX

1. Within a system comprising:
 - a user interface configured to exchange communications with users, and
 - a transaction processor coupled to one or more financial systems and configured to initiate financial transactions through the financial systems,
 - a computer-implemented method of verifying a customer's authority to use a financial instrument, the method comprising:
 - initiating one or more transactions using a financial instrument identified by a customer;
 - storing one or more attributes of said one or more transactions;
 - receiving a set of proffered attributes;
 - comparing said proffered attributes to said stored attributes; and
 - accepting use of the financial instrument by the customer for a subsequent transaction if said proffered attributes match said stored attributes.
2. The method of claim 1, further comprising after said initiating, soliciting said proffered attributes from the customer.
3. The method of claim 1, wherein said initiating comprises:
 - initiating a first transaction involving the financial instrument with a first set of attributes; and
 - initiating a second transaction involving the financial instrument with a second set of attributes different from said first set of attributes.
4. The method of claim 1, wherein said storing attributes comprises storing a value of a first transaction in said one or more transactions.
5. The method of claim 1, wherein said storing attributes comprises storing a merchant identity of a first transaction in said one or more transactions.

2 6. The method of claim 1, wherein said storing attributes comprises storing
the number of said one or more transactions.

2 7. The method of claim 1, wherein said storing attributes comprises storing a
type of one of said one or more transactions.

2 8. The method of claim 1, wherein said initiating comprises operating the
transaction processor to electronically initiate said transactions.

2 9. The method of claim 8, wherein said receiving comprises electronically
receiving said proffered attributes.

10. The method of claim 1, wherein the financial instrument is a credit card.

11. The method of claim 1, wherein the financial instrument is a debit card.

12. The method of claim 1, wherein the financial instrument is a bank account.

2 13. A computer-implemented method of verifying a user's authorization to
use a financial account, comprising:
 receiving from a user information identifying a financial account;
4 selecting values for a series of transactions involving the financial account;
 initiating the series of transactions;
6 storing a first set of details of said series of transactions;
 receiving a test set of details;
8 comparing said test set of details to said first set of details; and
 if said first set of details corresponds to said test set of details, authorizing the user
10 to conduct one or more subsequent transactions using the financial account.

2 14. The method of claim 13, further comprising soliciting said test set of
details from the user after said initiating.

15. The method of claim 13, wherein the financial account is a credit card
2 account.
16. The method of claim 13, wherein the financial account is a debit card
2 account.
17. The method of claim 13, wherein the financial account is a checking
2 account.
18. The method of claim 13, wherein the financial account is a savings
2 account.
19. The method of claim 13, wherein the financial account is a bank account.
20. The method of claim 13, wherein said first set of details includes a
2 merchant identity of a first transaction.
21. The method of claim 13, wherein said first set of details includes said
2 selected values.
22. The method of claim 13, wherein said first set of details includes a type of
2 a first transaction.
23. The method of claim 13, wherein said first set of details includes the
2 number of said transactions.
24. The method of claim 13, wherein said first set of details includes an
2 identity of an account involved in said transactions, other than the financial account.

25. A computer-implemented method of verifying a credit card in a
2 verification system comprising:
a user interface configured to exchange communications with users,
4 a transaction processor coupled to one or more financial systems and configured
to initiate financial transactions through the financial systems, and
6 a database;
the method comprising:
8 receiving from a user an account number and a name identifying a credit
card the user wishes to use as a source of funds;
10 initiating one or more transactions involving the credit card;
storing a first set of details of said transactions;
12 prompting the user to identify details of said transactions;
after the one or more transactions are completed, receiving from the user a
14 second set of details; and
if said second set of details matches said first set of details, authorizing the
16 user to use the credit card as a source of funds for a subsequent transaction.

26. The method of claim 25, wherein said second set of details includes an
2 identifier of a merchant involved in one of said one or more transactions.

27. A computer-implemented method of verifying a bank account in a
2 verification system comprising:
a user interface configured to exchange communications with users,
4 a transaction processor coupled to one or more financial systems and configured
to initiate financial transactions through the financial systems, and
6 a database;
the method comprising:
8 receiving from a user an account number and routing number identifying a
bank account the user wishes to use as a source of funds;
10 initiating one or more transactions involving the bank account;
storing a first set of details of said transactions;

12 prompting the user to identify details of said transactions;
 after the one or more transactions are completed, receiving from the user a
14 second set of details; and
 if said second set of details matches said first set of details, authorizing the
16 user to use the bank account as a source of funds for a subsequent transaction.

28. The method of claim 27, wherein said second set of details includes an
2 amount of one of said one or more transactions.

29. A computer readable storage medium storing instructions that, when
2 executed by a computer system, cause the computer system to perform a method of
verifying a customer's authority to use a financial instrument, the method comprising:
4 initiating one or more transactions using a financial instrument identified by a
customer;
6 storing one or more attributes of said one or more transactions;
 receiving a set of proffered attributes;
8 comparing said proffered attributes to said stored attributes; and
 accepting use of the financial instrument by the customer for a subsequent
10 transaction if said proffered attributes match said stored attributes.

30. A system for verifying a user's authorization to use an external financial
2 account, comprising:
 a transaction processor configured to initiate one or more transactions involving
4 an external financial account identified by a user;
 a memory configured to store a first set of details of said transactions;
6 a user interface configured to receive a test set of details independent of any
transaction involving the external financial account; and
8 a processor configured to compare said first set of details and said test set of
details after said transactions have been completed.

2 31. The system of claim 30, wherein said processor is further configured to
authorize the user to use the external financial account if said test set of details matches a
predetermined subset of said first set of details.

2 32. The system of claim 30, wherein said transaction processor is coupled to
an ACH (Automated Clearing House) transaction handler.

2 33. The system of claim 30, wherein said transaction processor is coupled to a
credit card service provider.

2 34. The system of claim 33, wherein said credit card service provider is a
merchant acquirer.

2 35. The system of claim 33, wherein said credit card service provider is a
credit card gateway provider.

2 36. The system of claim 30, wherein said transaction processor is configured
to construct said one or more transactions prior to their initiation.

2 37. The system of claim 30, further comprising a computer server for
operating said user interface.

2 38. The system of claim 37, wherein said computer server is further
configured to construct said one or more transactions prior to their initiation by said
transaction processor.

2 39. An apparatus for verifying a customer's authority to use a financial
instrument, comprising:
means for receiving from a customer information identifying a financial
4 instrument;

transaction means for initiating one or more transactions involving the financial
6 instrument;
storage means for storing selected details of said one or more transactions;
8 interface means for receiving a confirmation set of details independent of any
transaction involving the financial instrument; and
10 comparison means for comparing said confirmation set of details to said selected
details;
12 wherein the customer is deemed to have the authority to use the financial
instrument if said confirmation set of details corresponds to said selected details.

40. The apparatus of claim 39, further comprising prompting means for
2 prompting the customer to provide said confirmation set of details.

41. The apparatus of claim 40, wherein said interface means comprises said
2 prompting means.

42. The method of claim 1, wherein said accepting comprises:
2 receiving the subsequent transaction, the subsequent transaction identifying a
destination; and
4 transferring funds from the financial instrument to the destination.

43. The method of claim 1, wherein said accepting comprises:
2 receiving the subsequent transaction, the subsequent transaction identifying a
source; and
4 transferring funds to the financial instrument from the source.

IX. EVIDENCE APPENDIX

NONE

X. RELATED PROCEEDINGS APPENDIX

NONE